

Message Text

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PAGE 01 LISBON 03308 281210Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00
PA-02 PRS-01 SP-02 INRE-00 EB-08 H-02 AID-05
IGA-02 TRSE-00 OMB-01 SS-15 NSC-05 SSO-00 NSCE-00
/063 W

-----281225Z 027501 /50

O P 281115Z APR 77
FM AMEMBASSY LISBON
TO SECSTATE WASHDC IMMEDIATE 1109
INFO USIA WASHDC PRIORITY
AMCONSUL OPORTO
AMCONSUL PONTA DELGADA

UNCLAS LISBON 3308

SECSTATE FOR EUR
USIAA FOR IEU/MCLAUGHLIN, IOP/M, IBS/PE/HAUSEMAN

E.O. 11652: N/A
TAGS: SOPN, PO, U.S.
SUBJ: MEDIA REACTION ON CONSORTIUM LOAN TESTIMONY

1. PORTUGUESE RADIO NETWORKS AND AT LEAST TWO APRIL 28 MORNING NEWSPAPERS CARRIED REUTER WASHINGTON REPORT WHICH STATED, AMONG OTHER THINGS, THAT THE CONSORTIUM LOAN FOR PORTUGAL HAD DEFINITELY FALLEN APART AND LEFT IN DOUBT U.S. PARTICIPATION BEYOND \$300 MILLION REQUESTED APPROPRIATION FOR FY 1978. REPORT CITED STATEMENTS ATTRIBUTED TO PAUL BOEKER, DEPUTY ASSISTANT SECRETARY FOR ECONOMIC AND BUSINESS AFFAIRS, APRIL 27 BEFORE HOUSE SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST. COMMUNIST "O DIARIO" FRONT-PAGE LEAD HEADLINE ON REUTER REPORT WAS: "'FRIENDLY GOVERNMENTS' RETREAT: CAPITALISM REFUSES 'GIGANTIC LOAN'"; FALLING APART OF CONSORTIUM OFFICIALLY ANNOUNCED IN WASHINGTON."

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2. TO QUERIES, EMBASSY SPOKESMAN IS RESPONDING AS FOLLOWS:
"THE STORY IS MISLEADING. THE MULTILATERAL LOAN PROGRAM HAS UNDERGONE SOME MODIFICATIONS IN FORM FROM ITS ORIGINAL CONCEPT, WHICH IS NATURAL IN MATTERS OF THIS NATURE, BUT IT HAS NOT FAILED. TO THE CONTRARY THE US GOVERNMENT IS ACTIVELY SEEKING SUPPORT FOR THE PROGRAM THIS WEEK THROUGH ITS EMBASSIES AND HAS RECEIVED

A NUMBER OF POSITIVE RESPONSES.

"IT IS TRUE THAT SOME COUNTRIES ARE EXPERIENCING DIFFICULTIES IN FINDING AN APPROPRIATE MANNER IN WHICH TO PARTICIPATE, AND THAT BUDGETARY AND OTHER PROBLEMS HAVE BEEN RAISED. THIS, TOO, IS NATURAL IN ANY LARGE MULTILATERAL LENDING OPERATION, PARTICULARLY SINCE OUR FIRST OFFICIAL CONTACTS WITH MOST COUNTRIES HAVE ONLY RECENTLY BEEN MADE, THE NEGOTIATIONS ARE THUS IN THE PRELIMINARY STAGE.

"IT IS BOTH INACCURATE AND MISLEADING TO STATE THAT THE PRESIDENT HAS REDUCED HIS REQUEST TO CONGRESS. WHILE \$550 MILLION WAS MENTIONED AS A TARGET FIGURE FOR US PARTICIPATION OVER A 3 YEAR PERIOD THE FIGURE FOR THE FIRST YEAR HAS ALWAYS BEEN \$300 MILLION. THE US CONGRESS ONLY CONSIDERS FUNDING ON A ONE YEAR BASIS. AMBASSADOR CARLUCCI TESTIFIED ON A \$300 MILLION FIGURE LAST FEBRUARY AND THAT REMAINS THE ADMINISTRATIONS REQUEST. IT IS STILL ENVISAGED THAT THE US GOVERNMENT WILL PROVIDE THE LARGEST CONTRIBUTION TO THE LOAN.

"ON FEB 25 PRESIDENT CARTER PUBLICLY EXPRESSED HIS STRONG SUPPORT FOR THE LENDING PROGRAM. THE CONVERSATIONS LAST WEEK BETWEEN THE PRESIDENT AND THE PRIME MINISTER DEALT WITH WAYS IN WHICH THE PROGRAM COULD BE DEVELOPED, AT THE CONCLUSION OF WHICH THE PRESIDENT REAFFIRMED THE SUPPORT OF THE US GOVERNMENT FOR PORTUGUESE ECONOMIC RECOVERY EFFORTS. CONTRARY TO THE IMPRESSION THE ARTICLE ATTEMPTS TO CONVEY THE LENDING PROGRAM FOR PORTUGAL IS MOVING FORWARD."

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Message Attributes

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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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